

Chapter 9
RE-EXAMINATIONS
[24 CFR 960.257, 960.259, 966.4]

INTRODUCTION

The GBHA is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. PHAs must adopt policies for conducting annual and interim re-examinations that are consistent with regulatory requirements, and must conduct re-examinations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the GBHA must re-examine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the GBHA to offer all families the choice of paying income-based rent or flat rent at least annually. The GBHA's policies on offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim re-examinations.

Part I: Annual Re-examinations for Families Paying Income-Based Rents. This part discusses the requirements for annual re-examination of income and family composition. Full re-examinations are conducted at least once a year for families paying income-based rent.

Part II: Re-examinations for Families Paying Flat Rents. This part contains the GBHA's policies for conducting full re-examinations of family income and composition for families paying flat rent. These full re-examinations are conducted at least once every 3 years. This part also contains the GBHA's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Re-examinations. This part includes HUD requirements and GBHA policies related to when a family may and must report changes that occur between annual re-examinations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim re-examination, the GBHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a re-examination.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim re-examinations.

PART I: ANNUAL RE-EXAMINATIONS FOR FAMILIES PAYING INCOME-BASED RENT
[24 CFR 960.257]

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the GBHA must conduct a re-examination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the GBHA must conduct a re-examination of family composition at least annually, and must conduct a re-examination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. Policies related to the re-examination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the GBHA must conduct an annual review of community service requirement compliance. This annual re-

examination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.

The GBHA is required to obtain all of the information necessary to conduct re-examinations. How that information will be collected is left to the discretion of the GBHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the re-examination process [24 CFR 960.259].

This part contains the GBHA's policies for conducting annual re-examinations.

9-I.B. SCHEDULING ANNUAL RE-EXAMINATIONS

The GBHA must establish a policy to ensure that the annual re-examination for each family paying an income-based rent is completed within a 12-month period [24 CFR 960.257(a)(1)].

GBHA Policy

Generally, the GBHA will schedule annual re-examinations to coincide with the family's anniversary date. The GBHA will begin the annual re-examination process approximately 90-120 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last annual re-examination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the GBHA will perform a new annual re-examination, and the anniversary date will be changed.

The GBHA may also schedule an annual re-examination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Re-Examination Process

The GBHA is required to obtain information needed to conduct annual re-examinations. How that information will be collected is left to the discretion of the GBHA. However, the GBHA should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The GBHA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of annual reexamination [Notice PIH 2009-36].

GBHA Policy

Families generally are required to participate in an annual re-examination interview, which must be attended by the head of household, and spouse or co-head. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the GBHA to request a reasonable accommodation.

Notification of annual re-examination interview will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the GBHA at least 24 hours in advance of the interview to schedule a new appointment. In all circumstances, if

a family does not attend the scheduled interview, the GBHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without GBHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other individual may assist the family in the interview process. The family should contact the GBHA prior to the interview if such services are needed.

9-I.C. CONDUCTING ANNUAL RE-EXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the re-determination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].

GBHA Policy

Families will be asked to bring all required information (as described in the re-examination notice) to the re-examination appointment. The required information will include a GBHA-designated re-examination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, assets, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The GBHA may use the results of the annual re-examination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

GBHA Policy

Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual re-examination process.

Compliance with Community Service

For families who include nonexempt individuals, the GBHA must determine compliance with community service requirements once every 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the GBHA's policies governing compliance with the community service requirement.

9-I.D. EFFECTIVE DATES

As part of the annual re-examination process, the GBHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

GBHA Policy

In general, an increase in the tenant rent that results from an annual re-examination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the GBHA chooses to schedule an annual re-examination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the GBHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual re-examination, increases in the tenant rent will be applied retroactively to the scheduled effective date of the annual re-examination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a decrease in the tenant rent that results from an annual re-examination will take effect on the family's anniversary date.

If the GBHA chooses to schedule an annual re-examination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the GBHA.

If the family causes a delay in processing the annual re-examination, decreases in the tenant rent will be applied prospectively, from the first day of the month following completion of the re-examination processing.

Delays in re-examination processing are considered to be caused by the family if the family fails to provide information requested by the GBHA by the date specified and this delay prevents the GBHA from completing the re-examination as scheduled.

PART II: RE-EXAMINATIONS FOR FAMILIES PAYING FLAT RENTS

[24 CFR 960.257(2)]

9-II.A. OVERVIEW

HUD requires that the GBHA offer all families the choice of paying income-based rent or flat rent at least annually. The GBHA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the GBHA must conduct a re-examination of family composition at least annually, and must conduct a re-examination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The GBHA is only required to provide the amount of income-based rent the family might pay in those years that the GBHA conducts a full re-examination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, the GBHA must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains the GBHA's policies for conducting re-examinations of families who choose to pay flat rent.

9-II.B. FULL RE-EXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Re-Examination

GBHA Policy

For families paying flat rent, the GBHA will conduct a full re-examination of family income once every 3 years. In the years between full re-examinations, regulations require the GBHA to conduct a re-examination of family composition ("Annual update") [24 CFR 960.257(a)(2)].

Re-Examination Policies

GBHA Policy

In conducting full re-examinations for families paying flat rent, the GBHA will follow the policies used for the annual re-examinations of families paying income-based rent, as set forth in section 9-I.B through 9-I.D.

9-II.C. RE-EXAMINATION OF FAMILY COMPOSITION ("ANNUAL UPDATE")

As noted, full re-examinations are conducted once every three (3) years for families paying flat rent.

The annual update process is similar to the annual re-examination process, except that the GBHA does not collect information about the family's income and expenses, and the family's rent is not recalculated following the annual update.

Scheduling

The GBHA must establish a policy to ensure that the re-examination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

GBHA Policy

For families paying flat rent, annual updates will be conducted in each of the 2 years following the full re-examination.

In scheduling the annual update, the GBHA will follow the policy used for scheduling the annual re-examination of families paying income-based rent as set forth in Section 9-I.B.

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

GBHA Policy

Generally, the family will not be required to attend an interview for an annual update. However, if the GBHA determines that an interview is warranted, the family may be required to attend.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the GBHA. The family will have 10 business days to submit the required information to the GBHA. If the family is unable to obtain the information or documents within the required timeframe, the family may request an extension. The GBHA will accept required documentation by mail, by fax, or in person.

If the family's submission is incomplete, or the family does not submit the information in the required timeframe, the GBHA will send a second written notice to the family. The family will have 10 business days from the date of the second notice to provide the missing information or documentation to the GBHA.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The GBHA may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

GBHA Policy

Each household member age 18 and over will be required to execute a consent form for criminal background check as part of the annual update process.

Compliance with Community Service

For families who include nonexempt individuals, the GBHA must determine compliance with community service requirements once every 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the GBHA's policies governing compliance with the community service requirement.

PART III: INTERIM RE-EXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

9-III.A. OVERVIEW

Family circumstances may change during the period between annual re-examinations. HUD and GBHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances must be reported, and under what circumstances the GBHA must process interim re-examinations to reflect those changes. HUD regulations also permit the GBHA to conduct interim re-examinations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The GBHA must complete the interim re-examination within a reasonable time after the family's request.

This part includes HUD and GBHA policies that describe the changes families are required to report, the changes families may choose to report, and how the GBHA will process both GBHA- and family-initiated interim re-examinations.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The GBHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the GBHA has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

GBHA Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual re-examinations (or annual updates).

The GBHA will conduct interim re-examinations to account for any changes in household composition that occur between annual re-examinations.

New Family Members Not Requiring Approval

While the addition of a family member as a result of birth, adoption, or court-awarded custody does not require GBHA approval, the family is required to promptly notify the GBHA of the addition [24 CFR 966.4(a)(1)(v)].

GBHA Policy

The family must inform the GBHA of the birth, adoption or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request GBHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The GBHA may adopt reasonable policies concerning residence by a foster child or live-in aide, and defining the circumstances in which GBHA consent will be given or denied. Under such policies, the factors considered by the GBHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The GBHA's obligation to make reasonable accommodation(s) for handicapped persons.

GBHA Policy

Families must request GBHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the GBHA prior to the individual moving into the unit.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require a transfer to a larger size unit (under the transfer policy in Chapter 12), the GBHA will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation(s), that should be considered by the GBHA. Exceptions will be made on a case-by-case basis.

The GBHA will not approve the addition of a new family or household member unless the individual meets the GBHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

If the GBHA determines that the individual does not meet the GBHA's eligibility criteria or documentation requirements, the GBHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The GBHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

GBHA Policy

If a family member ceases to reside in the unit, the family must inform the GBHA within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the GBHA within 10 business days.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim re-examinations can be scheduled either because the GBHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the GBHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

GBHA Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

GBHA-Initiated Interim Re-Examinations

GBHA-initiated interim re-examinations are those that are scheduled based on circumstances or criteria defined by the GBHA. They are not scheduled because of changes reported by the family.

GBHA Policy

The GBHA will conduct interim re-examinations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the GBHA will conduct an interim re-examination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the second 12 month exclusion period (50 percent phase-in period).

If the family has reported zero income, the GBHA will conduct an interim re-examination every 3 months as long as the family continues to report that they have no income. If at the time of the annual re-examination, it is not feasible to anticipate a level of income for the next 12 months (e.g., seasonal or cyclic income), the GBHA will schedule an interim re-examination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual re-examination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the GBHA will conduct an interim re-examination.

The GBHA may conduct an interim re-examination at any time in order to correct an error in a previous re-examination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Re-Examinations

The GBHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim re-examination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

Required Reporting

HUD regulations give the GBHA the discretion to determine the circumstances under which families will be required to report changes affecting income.

GBHA Policy

Families are required to report gross income changes of \$200 or more per month and the GBHA will thus conduct interim re-examinations. Families must inform the GBHA within 10 business days of the date the change takes effect. Families who fail to report income changes within 30 days of the date of the change will be charged with an overpayment.

The GBHA will only conduct interim re-examinations for families that qualify for the earned income disallowance (EID), and only when the EID family's rent will change as a result of the increase. In all other cases, the GBHA will note the information in the tenant file, but will not conduct an interim re-examination.

Families are not required to report any other changes in income or expenses.

Optional Reporting

The family may request an interim re-examination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The GBHA must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income, see Chapter 6.

GBHA Policy

If a family reports a change that is less than \$200 per month and would result in an increase in the tenant rent, the GBHA will note the information in the tenant file, but will not conduct an interim re-examination.

If a family reports a change that was not required to be reported and would result in a decrease in the tenant rent, the GBHA will conduct an interim re-examination. See Section 9-III.D. for effective dates.

Families may report changes in income or expenses at any time.

9-III.D. PROCESSING THE INTERIM RE-EXAMINATION

Method of Reporting

GBHA Policy

The family may notify the GBHA of changes either orally or in writing. If the family provides oral notice, the GBHA will require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim re-examination. However, if the GBHA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the GBHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the GBHA. This timeframe may be extended for good cause with GBHA approval. The GBHA will accept required documentation by mail, by fax, or in person.

Effective Dates

The GBHA must make the interim re-examination within a reasonable time after the family request [24 CFR 960.257(b)].

GBHA Policy

If the tenant rent is to increase:

The increase generally will be effective on the first of the month following 30 days' notice to the family

If a family fails to report a change within the required timeframes, or fails to provide all required information within the required timeframes, the increase will be applied

retroactively to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the tenant rent is to decrease:

The decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified by GBHA staff until after the date the change would have become effective, the change will be made retroactively.

If the family causes a delay in processing the interim re-examination, decreases in the family share of rent will be applied prospectively, from the first day of the month following completion of the re-examination processing.

PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, the GBHA must recalculate the rent amount based on the income information received during the re-examination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a re-examination.

9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The public housing lease requires the GBHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the GBHA re-determines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the GBHA's schedule of Utility Allowances for families in the GBHA's Public Housing Program, or determine that the tenant must transfer to another unit based on family composition, the GBHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the GBHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the GBHA's grievance procedure [24 CFR 966.4(c)(4)].

GBHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.

9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the GBHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the GBHA re-determines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the GBHA's schedule of Utility Allowances for families in the GBHA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the GBHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the GBHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the GBHA's grievance procedure [24 CFR 966.4(c)(4)].

GBHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.

9-IV.D. DISCREPANCIES

During an annual or interim re-examination, the GBHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the GBHA may discover errors made by the GBHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15, Program Integrity.